GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5239
ANSWERED ON:20.04.2001
CHARGING OF MONEY BY SBI ON CHEQUE BOOKS
RAJO SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether several banks including the State Bank of India have started charging money for providing facilities like free cheque books to customers;

(b) if so, the reasons therefor and the names of banks which are charging money for such facilities provided to customers and the directions issued by the Reserve Bank of India in this regard; and

(c) the steps being taken by the Government to check for charging money in the arbitrary manner by the banks in the name of privatization ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) (b) & (c):- Reserve Bank of India (RBI) in September 1999 have given freedom to banks to prescribe their individual service charges for various services rendered by them with the approval of their Board of Directors. However, banks have been advised by RBI that while fixing service charges, they should ensure that charges are reasonable and not out of tune with the average cost of providing these services. They should take care to ensure that the customers with low volume of activities are not penalized.